

<b>Change Proposal – F40/01</b>	<b>CP No: 1028</b>  <i>Version No:</i>
<b>Title</b> <i>(mandatory by originator)</i> <b>Withdrawal of Supplier Hubs</b>	
<b>Description of Problem/Issue</b> <i>(mandatory by originator)</i>	
<p>Background</p> <ul style="list-style-type: none"> <li>● At present there is no process for an SVA Supplier to terminate a previously approved Supplier hub. Whilst termination of these hubs is largely an administrative matter, with the prospect of Supplier Agents withdrawing from Accredited status or merging this is likely to become an increasing issue over time.</li> <li>● Where a Supplier Agent no longer exists these redundant Supplier hubs are effectively invalid, bringing scope for confusion and error within the SVA Trading Arrangements.</li> <li>● Where a Supplier or a Supplier Agent exists but is inactive the related Supplier hubs bringing scope for confusion and error within the SVA Trading Arrangements, albeit at a lower level of severity.</li> <li>● Two Suppliers have raised the fact that due to changes in their business and to the activities of their Supplier Agents they have an increasing number of redundant approved Supplier hubs. They would like the opportunity to tidy up their approved list by withdrawing a number of approved Supplier hubs. A number of Suppliers have, over the years, asked what the removal process consists of.</li> </ul> <p>Extent of Supplier Hubs in Use and Potential for Redundancy</p> <ul style="list-style-type: none"> <li>● At present there are over 15,000 approved combinations of Supplier hub and LDSO in the HH Trading Arrangements.</li> <li>● There are a number of illustrations of Supplier hub redundancy. From a Supplier perspective, approximately 2,000 HH hubs are attributed to the MPID of a Supplier that at present has no HH metering systems entering settlement. Therefore these unused approved combinations could be considered strong candidates for removal.</li> <li>● Taking a Supplier Agent perspective, should any HHMO be removed from the Trading Arrangements, approximately 8% of Supplier hubs would immediately become redundant. It is understood that a number of HHMO MPIDs are in the process of being migrated away from.</li> <li>● There are approximately 1,500 approved combinations of Supplier hub and LDSO in the NHH Trading Arrangements. NHH agency competition is much less established than HH, with many Supplier remaining exclusively with former "Host PES" Agents.</li> </ul>	

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### **Proposed Solution(s)** *(mandatory by originator)*

- BSCP 512 should be modified to accommodate a withdrawal process.
- The process should be a very straightforward one:
  - a Supplier would apply via the Entry Process Co-ordinator (EPC) for withdrawal of a previously approved hub (including a declaration that the hub is not in operational use), using a new BSCP 512 form;
  - the EPC would present PAB with a list of existing qualified hubs to be withdrawn for their approval, along with the usual new approvals;
  - the EPC would then distribute withdrawal notices to the industry in the same manner as is currently conducted for new hub approvals;
  - the EPC would remove the withdrawn hubs from its database so that regular recipients of the 'global picture' of approved hubs retain an accurate list to work against (although withdrawn hubs would be stored in a separate area distributed with the master list to retain an accurate history of approvals).
- Any Supplier requesting withdrawal of approval could request a list of currently approved hubs from the EPC, who would provide the Supplier with a spreadsheet which includes a column enabling them to mark a hub for withdrawal. The Supplier would mark the hubs that are to be withdrawn, and this would be provided as an attachment to the withdrawal form within BSCP 512. Such forms would be required to be signed by the same level of signatory required to request new Supplier hub approval.
- Under the circumstances where a Supplier Agent has completely withdrawn from the Trading Arrangements the EPC would, as a matter of course, create for each Supplier a list of hubs that incorporate that Agent that the Supplier would then use in undertaking the withdrawal process.

Once a Supplier hub has been removed in the manner described above, the Supplier would have to complete the relevant elements of Entry Processes again if it ever wished to use that hub in the future.

### **Justification for Change** *(mandatory by originator)*

- Supplier Agents may withdraw from Accredited status, or indeed have it removed. In this case withdrawal of approval for all Supplier hubs incorporating the Supplier Agent losing Accredited status should follow automatically, and at present there is nothing in place to effect this. It should be noted that any Supplier hub must incorporate Accredited Agents.
- This will also help in tightening up the Withdrawal process for Suppliers from the BSC as their redundant hubs can be removed.
- Having a large number of redundant hubs complicates the work undertaken by the users of the lists of approved hubs (ELEXON Technical Assurance, ELEXON Service Delivery and the SVAA), as they are required to search through much more material than is strictly necessary.

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<ul style="list-style-type: none"> <li>● It could be argued that the removal of redundant Supplier hubs is largely administrative, and therefore that no action need be taken. However to take this path would be to accept inconsistencies within the Performance Assurance Framework.</li> <li>● For a Supplier to become fully compliant with Modification P62 all of their Supplier hubs (and thus all of their Supplier Agents) must be P62 compliant. It is anticipated that Suppliers will wish to remove unused hubs to minimise the effort required to obtain their P62 compliance.</li> <li>● It will be easier for Suppliers to manage their hubs if there is a lower number of combinations that they are required to deal with.</li> </ul>	
<p><b>Configurable Items Potentially Affected by Proposed Solution(s)</b> <i>(optional by Originator)</i></p> <p>BSCP 512</p>	
<p><b>Impact on Core Industry Documents</b> <i>(optional by originator)</i></p>	
<p><b>Related Changes and/or Projects</b> <i>(mandatory by BSSCo)</i></p>	

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<b>Requested Implementation Date (<i>mandatory by originator</i>)</b>  <b>Reason:</b>	
<b>Agreed Release/Implementation Date (<i>mandatory by BSCCo</i>)</b>	
<b>Originator's Details:</b>  <b>Name</b> <i>Anthony Dent</i>  <b>Organisation</b> <i>SD Partners Limited (Entry Process Co-ordinator)</i>  <b>Email Address</b>  <b>Date</b> <i>2<sup>nd</sup> December 2003</i>	
Attachments: Y/N*            (If Yes, No. of Pages attached:.....) <i>(delete as appropriate)</i>	